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E.O. 12958: DECL: 11/05/2017
TAGS: [PARM](#) [PREL](#) [MNUC](#) [ECON](#)
SUBJECT: ITALY: WORKING TO IMPLEMENT FATF RECOMMENDATIONS

REF: A. SECSTATE 148605
[1](#)B. SECSTATE 149648
[1](#)C. ROME 2032
[1](#)D. ROME DAILY REPORT (10/26/2007)

Classified By: Econ Counselor William R. Meara for Reasons
1.4 (b) and (d).

[1](#)1. (C) Summary: At the Financial Action Task Force (FATF) plenary in October, Italian officials helped build consensus around the FATF public statement of concern regarding deficiencies in Iran's anti-money laundering and counter-terrorist financing regime (ref A). Prior to receiving reftel B demarche requesting engagement with GOI officials on FATF, Econoff had already spoken with Finance and Foreign Affairs contacts to track progress on FATF implementation. Italy's Financial Security Committee is preparing an advisory based on the FATF plenary outcome. Our MFA contact underscored that all accounts linked to Iran are already under heavy scrutiny. End summary.

[1](#)2. (C) After Italy hosted a special FATF Working Group meeting on Terrorist Financing and Money Laundering in September (reftel C) post has been following Italy's engagement at FATF meetings carefully. Econoff met with Roberto Ciciani head of the Financial Crimes Prevention Unit at the Ministry of Finance on October 25 to follow-up on the October meetings. Ciciani characterized the meetings as a success and told Econoff that he had proposed compromise language that assisted FATF members in reaching consensus on the public statement of concern (ref A). (Note: This fact was confirmed by U.S. colleagues who attended the meetings.) Ciciani said that the Italian Government supported FATF actions against Iran because FATF followed a transparent, step-by-step approach that provided specific guidelines on activities that will be restricted. Ciciani added that upon his return from Paris, his office tasked the Financial Security Committee (FSC) to prepare the guidelines on activity based financial prohibitions based on UNSCR 1737. He added that many of measures called for at the FATF meetings had already been included in advisories issued by the FSC. Ciciani stated that the GOI was taking every necessary step to counter illicit use of the Italian financial system by Iranian entities.

[1](#)3. (C) Econoff also discussed FATF outcomes with MFA Counterterrorism Finance Officer Stefania Francello on October 26. She confirmed that the MFA was working with the FSC on a new advisory notice. Francello highlighted that all financial transactions involving Iran are already carefully scrutinized by banking regulators (ref D).
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